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FM THE SITUATION ROOM

TO AMEMBASSY TEHRAN

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PASS TO BREMER/GOMPERT FOR THE SECRETARY

NOVEMBER 1, 1974

MEMORANDUM FOR SECRETARY KISSINGER

ON-FILE NSC RELEASE INSTRUCTIONS APPLY

FROM: THE SITUATION ROOM

SUBJECT: INFORMATION ITEMS

**SCHEDULES FOR BRITISH DEFENSE REVIEW:** THE BRITISH PLAN TO BEGIN CONSULTATIONS WITH WASHINGTON, BONN, AND EVENTUALLY NATO AFTER THE CABINET COMMITTEE REACHES DECISIONS ON DEFENSE REVIEW ON NOVEMBER 4. IF THE U.S. CONCURS, BRITISH OFFICIALS ANTICIPATE THAT TALKS COULD BEGIN IN WASHINGTON BY MID-NOVEMBER. THE BRITISH DELEGATION PROBABLY WILL BE LED BY SIR JOHN HUNT, BRITISH CABINET SECRETARY. THE BRITISH EXPECT DISCUSSIONS WITH NATO -- WHICH WOULD BE HELD AFTER CONSULTATIONS WITH THE U.S. AND FRG -- ARE LIKELY TO LAST TWO TO THREE MONTHS. SOME REDUCTIONS IN BRITAIN'S NATO-COMMITTED FORCES ARE LIKELY, PROBABLY IN THE BRITISH ARMY ON THE RHINE. A MINISTRY OF DEFENSE OFFICIAL HAS COMMENTED TO THE U.S. EMBASSY THAT THE DEFENSE REVIEW IS "NOT COMING OUT TOO BADLY." THE DEFENSE STAFF HAS BEEN ADVOCATING DEFENSE CUTS OF AROUND \$1 BILLION. THE IMPACT OF THE CUTS HOWEVER, WILL DEPEND ON HOW QUICKLY THEY ARE APPLIED. IF SPACED OVER A PERIOD OF YEARS, THEY COULD HAVE ONLY A MINIMAL EFFECT ON FORCE EFFECTIVENESS AND PROCUREMENT PROGRAMS.

**DANISH LIGHTWEIGHT FIGHTER REPLACEMENT:** EMBASSY COPENHAGEN REPORTS THAT, ACCORDING TO A DANISH AIR FORCE SOURCE, THE DANISH MILITARY WILL ALMOST CERTAINLY RECOMMEND THE PURCHASE OF GENERAL DYNAMIC'S YF-16 AS THE LIGHTWEIGHT FIGHTER REPLACEMENT. AN IMPORTANT INGREDIENT IN THE RECOMMENDATION IS THE EXPECTED SOPHISTICATED ELECTRONIC TECHNOLOGY THE DANES WOULD EXPECT TO ACQUIRE AS PART OF THE OFFSET. IN A RECENT NEWSPAPER ARTICLE, DEFENSE MINISTER BRONDUM FOR THE FIRST TIME LAID OUT THE WHOLE QUESTION OFFICIALLY FOR THE DANES AND IMPLIED THE CHOICE SHOULD BE AN AMERICAN AIRCRAFT. OUR EMBASSY IS SUGGESTING TO THE EUROPEAN REPRESENTATIVES OF THE TWO AMERICAN CONTENDERS THAT THEY SHOULD EXTEND THEMSELVES TO THE DANISH TRADE UNION CONGRESS.

**WASHINGTON STAR-NEWS:** HENRY BRADSHAW REPORTS THAT, DESPITE THE INCREASINGLY CHAOTIC AND VIOLENT POLITICAL SITUATION IN SAIGON NORTH VIETNAM IS BECOMING WORRIED THAT EVENTS MIGHT NOT DEVELOP THE WAY IT WANTS. HANOI IS AFRAID THAT THE AGITATION AGAINST PRESIDENT THIEU MIGHT RESULT IN A CLEANUP OF CORRUPTION WHICH COULD REGAIN SUPPORT FOR THIEU OF SOME LEADERS NOW DENOUNCING HIM IN SAIGON DEMONSTRATIONS.

A STAR EDITORIAL ON "SOOTHABLE SENSIBILITIES" ASSESSES YOUR RECENT TRIP TO INDIA AS A USEFUL FENCEPATCHING SESSION THAT DID LITTLE TO RESOLVE THE MAJOR PROBLEMS. THE PERCEPTION THAT INDIA IS, IN FACT, "MARGINAL" IN YOUR GLOBAL CALCULATIONS REMAINS VALID. FOR ALL THIS, HOWEVER, THE TRIP WAS WORTH IT AS AN EXERCISE IN PUBLIC RELATIONS. SOFT SOAP, IN DIPLOMACY, CAN SOMETIMES WORK WONDERS. AND THAT IS ONE COMMODITY, IN AN ERA OF SCARCITY, STILL IN PLENTIFUL SUPPLY.

LATE ITEM

**LAOS AND CUBA PROBABLY TO ESTABLISH DIPLOMATIC RELATIONS:** AN INTERCEPTED LAOTIAN MESSAGE REVEALS THAT LAOS AND CUBA WILL PROBABLY ESTABLISH DIPLOMATIC RELATIONS ON NOVEMBER 1. SIMULTANEOUS PUBLICATION OF THE COMMUNIQUE IN HAVANA AND VIENTIANE IS SCHEDULED FOR NOVEMBER 4.

616

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